INCOMING TELEGRAM Department of State

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FROM: Guatemala City

TO: Secretary of State

NO: 1124, June 27, 11 p.m.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUN 28 1954

NIACT

DECLASSIFICATION DATE 11-30-77
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PASS DEFENSE ADRC. EOI CASE NO. 140332

A few minutes after I returned to Embassy after interviewing Foreign Minister Toriello (EMBTEL 1121, June 27), I received personal telephone call from Colonel Carlos Enrique Diaz, Chief of Guatemalan Armed Forces, who said he was with several army officers and asked if I could meet him at his residence at once. I went there about half hour later accompanied by Colonels McCormick and Martin and Mr. Krieg.

After my arrival Colonel Diaz entered room accompanied by Colonel Sanchez, Minister of Defense Colonel Parrinello, Chief of Staff Colonel Giron, Chief of Air Force and Colonel Sarti, President of Superior Defense Council. Diaz began by describing horrible situation created by aerial bombardment of Chiquimula and Zacapa. He said towns were virtually wiped out; that in Zacapa dead lay unburied in streets and buzzards were having feast on them; civil population had fled. Army could cope with Castillo Armas' ground forces, but not his aviation. He said Castillo could not have obtained these arms without US acquiescence. I replied sharply that if he had brought me to his house to make accusations against my government, I would leave immediately. He hastily said he was not accusing US. He therefore asked what US would wish in return if it used its good offices to put end to fighting. Constantly emphasizing I could speak only as individual and not for US Government, I said there was only one important problem between our governments: That of communism. Colonel Diaz said he knew that and was prepared guarantee in name of army that Communist Party would be outlawed and its leaders exiled.

I said this was fine, but that government had long known this and neither government nor army had ever acted; how could I be sure army would be able carry out its decision? After some hesitation Diaz said this was crucial question. Solution decided all army officers was that he should assume presidency. He emphasized that this had been difficult decision and would be difficult execute; he said Communists could be expected try uprising to oppose coup, and that he would need in Guatemala City forces which were

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which were now at battle front. Thus it would be necessary for US to use influence top fighting and especially to have Honduras and Nicaragua stop allowing Castillo use airfields. I asked whether he had attempted any direct arrangement with Castillo Armas. He replied in strongest terms (and was strongly seconded by others) that direct negotiations with Castillo were out of question; they would rather die than talk with him. Diaz said Castillo Armas could never govern Guatemala after massacres his air forces caused; he might have had some supporters in army before, but no (repeat no) longer.

I stressed again that I could neither speak for Castillo nor commit my government, but that if Diaz assumed power and ousted Communists, I would strongly recommend that US attempt to bring about cease-fire until arrangement could be made. Once again Diaz and colleagues insisted that truce, at least cessation of airraids, would be essential before they could act against Arbenz. They said there were only 500 regular troops in city, plus 2,500 reservists with two years previous service who had just been called up. Latter were armed and equipped. Unfortunately, there were also about 2,000 peasants who had just been brought in for training. They would be disarmed. I simply repeated that when I knew Diaz was in control I would recommend cease-fire.

After further discussion and several private conferences with colleagues, Diaz said they had decided act at once, relying on my promise to urge a cease-fire. He then said, "now comes the tough problem. Who is going to bell the cat? Who will talk to Jacobo?" With but moment's hesitation, he made decision: "Col. Sanchez will visit all garrisons and anncunce I have assumed presidency. Colonel Giron will inform air force. I will go to Palace with Parrinello and Sarti and we will tell Jacobo." After some other talk, Diaz said, "Arbenz may answer two ways. He will either say, 'yes,' or he will say, 'this is insubordination,' and call the guard. In latter case, we will not (repeat not) emerge from Palace. If we are not (repeat not) out in reasonable period, Sanchez will bring up artillery."

Throughout discussion, I emphasized necessity of acting quickly to round up leading Communists before they could mobilize forces. All agreed this was essential and Sanchez was designated to give necessary orders. I pointed out that Major Rosenberg, chief of detectives, undoubtedly had report of Diaz telephone call to Embassy since all our telephones were tapped and might well be making his own plans. Strangely enough, this idea apparently had not (repeat not) occurred to Diaz. He said he would act as soon as possible to replace Rosenberg and Cruz Wer, chief of police.

I then

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I then told Diaz I felt very deeply necessity of implanting democracy as far as local conditions permitted and that all sectors of population, including those who have followed Castillo Armas anti-Communist movement, be allowed participate in political life of country. Diaz and associates gave most categorical assurances that they would issue general amnesty, release all political prisoners and allow persons in asylum in diplomatic missions to come out. They said Castillo Armas could return if he wished but added feeling against him was high because of bombings and they could not (repeat not) guarantee his safety.

At one point Diaz asked whether any members of present Cabinet were unacceptable to US. I said I could not (repeat not) attempt to dictate his Cabinet and that if he appointed reasonable men I was sure all our secondary problems could be worked out, such as difficulties of American Companies. I emphasized strongly I represented US Government and people, not (repeat not) individual companies.

At conclusion, it was agreed Diaz would telephone me after seeing Arbenz and inform me of outcome.

PEURIFOY

MEJ/5

Note: Passed Army, Navy, Air & OSD 6/28/54, noon, RHF

Advance copy to Mr. Fisher (MID) 2:40 p.m. 6/28/54 CWO/JRL.

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